



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Director of Mental Health

At its meeting held June 20, 2006, the Board took the following action:

51

The following item was called up for consideration:

The Director of Mental Health's recommendation to approve and authorize the Director to prepare and execute 72 renewal Legal Entity (LE) agreements for the provision of continuous, uninterrupted mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents, and their families throughout the County, at a total cost of \$314,988,813, funded by 28% State and 43% Federal revenues, 4% Intrafund Transfers and 25% Net County Cost/Realignment funds in amount of \$76,987,293, effective July 1, 2006 through June 30, 2007, with two automatic one-year renewal periods for 71 LE agreements, and one automatic one-year renewal period for LE agreement with an Institution for Mental Disease contractor; approve revised LE agreement format, which has been updated to reflect revised and new Board mandated provisions required in all County contracts, including a contract provision that contractors comply with all applicable Federal, State and County policies and procedures relating to performance standards and outcome measures, including a new provision on the Mental Health Services Act; and authorize the Director to prepare and execute future amendment to LE agreements, provided that: 1) the County's total payments to a contractor under each agreement for each applicable fiscal year shall not exceed an increase of 20% from the applicable revised MCA or per diem rates; and 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes.

Marvin J. Southard, Director, and Susan Kerr, Chief Deputy Director, Department of Mental Health, responded to questions posed by the Board.

(Continued on Page 2)

After discussion, Supervisor Molina made the following statement:

“Each year the Department of Mental Health seeks the renewal and supersession of key Legal Entity agreements with community mental health service providers to provide services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents and their families throughout the County of Los Angeles, and at the end of each year the Department usually requests this Board of Supervisors to allow one-time flexibility to enable these providers to shift funds within their contracts not to exceed the Maximum Contract Amount to enable these providers to draw down Federal and State funds to cover services provided in other programmatic areas. This practice however, seems to result in an uneven provision of services across the County and appears to have a significant impact on the Department of Mental Health’s Annual Budget. Before approving another set of Legal Entity Agreements, more information is needed.”

Therefore, on motion of Supervisor Molina, seconded by Supervisor Antonovich, unanimously carried (Supervisor Knabe being absent), the Board took the following actions:

1. Continued the Director of Mental Health’s aforementioned recommendation for one week to June 27, 2006, pending additional information from the Department;
2. Instructed the Director of Mental Health to report back to the Board in one week with a written analysis of the following:
  - The pros and cons of why it is partitioning programmatic services in this manner;
  - The impact of such partitioning on program and service availability in communities;
  - The impact on providers; and
  - The impact on the Department of Mental Health’s Budget, particularly, any savings identified from not providing such flexibility in 2005-06; and

(Continued on Page 3)

51 (Continued)

3. Instructed the Director of Mental Health to work with the providers and return to the Board in one week with a process and plan for resolving the aforementioned issue within the next 30 days so that such resolution, if approved by the Board, may be included in the new 2006-07 contract going forward.

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